

**Insurance Department
Review Requirements Checklist**

Commercial Umbrella

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
FORMS		
Applications		
	MCLA 500.2236(5)	Upon written notice to the insurer, the commissioner may disapprove, withdraw approval or prohibit the issuance, advertising or delivery of any form to any person in this state if it violates any provisions of this act, or contains inconsistent, ambiguous or misleading clauses, or contains exceptions and conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policy.
Arbitration		
	MCLA 500.2254	No provision, rule, or by-law shall be valid which bars any suit in any court in this state provided that any reasonable remedy for adjudicating claims established by the company has first been exhausted by the claimant before commencing suit.
Bankruptcy Provision		
Required	MCLA 500.3004	No policy shall be issued unless it contains provisions as required in sections 3006.
Protects Insured	MCLA 500.3006	Insolvency or bankruptcy of the insured shall not release the insurer from payment of damages
Cancellation & Nonrenewal		
Required	MCLA 500.3020	The policy may be canceled at any time at the request of the insured, the insurer shall refund the excess of paid premium or assessment above the pro rata rates for the expired time; The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater; The company may cancel the policy with a not less than 10 day written notice to the last known address of the insured; cancellation will be without prejudice to any claim originating before the cancellation.
Filing Standards		
Readability	MCLA 500.2236(1)	Not less than 8 point type.
Deemed Status	MCLA 500.2236(1)	Failure of the commissioner to act within 30 days after submittal constitutes approval.
Exempt	Bulletin 97-03	Only rating organizations should file forms. Insurers must maintain a list of exempt forms.
Liberalization Clause		
	None	N/A
Notice of Claim		
Required	MCLA 500.3004	No policy shall be issued unless it contains provisions as required in section 3008.
Notice Requirements	MCLA 500.3008	There shall be a provision that notice given by or on behalf of the insured to any authorized agent of the insurer shall be deemed to be notice to the insurer; also a provision that failure to give any notice required to be given by such policy within the time specified shall not invalidate any claim made if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.
Loss Settlement		
Notice of Loss Settlement	MCLA 500.2204	The insurer must give the insured a notice of settlement at least 10 days prior to the settlement.

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RATING		
Pricing		
Ratemaking Standards	MCLA 500.2403(d)	Rates shall not be excessive, inadequate, or unfairly discriminatory.
Rating Plan Requirements		
Rating Plans	MCLA 500.2404(1)	The insurer must establish a secondary or merit rating plan to adjust rates on the basis of risk management technique implemented by the insured.
Risk Modification	Bulletin 2000-04	+/- 25% maximum for schedule rating type plans.
General Filing References		
Review and Effective Date	MCLA 500.2408(2)	The filing shall be on file for a waiting period of 15 days before it becomes effective, which period may be extended by the commissioner for 1 additional period not to exceed 15 days if the commissioner gives written notice within the waiting period to the insurer or rating organization which made the filing that her or she needs additional time for consideration of the filing.
Disapproval	MCLA 500.2416(1)	If within the waiting period the commissioner finds that a filing does not the requirements of this chapter, he shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing specifying then what respects he fins such filing fails to meet the requirements of this chapter and stating that such filing shall not become effective.
File and Use	MCLA 500.2430	Every such filing under this section shall state the effective date thereof, shall take effect on said date, shall not be subject to any waiting period requirements, and shall be deemed to meet the ratemaking standards. If, at any time within 15 days from and after the date of any such filing, the commissioner may give written notice to the insurer or rating organization in what respect and to extend her contends such filing fails to comply with the ratemaking standards and fixing a date for hearing not less than 10 days from the date of mailing of such notice. In the event that no notice of hearing shall be issued within 15 days from the date of any such filing, the filing shall be deemed to be approved.

“The Michigan Office of Financial and Insurance Services (OFIS) website <http://www.cis.state.mi.us/ofis/> has links to the statutes, bulletins, and administrative rules referenced in the filing requirements checklists. The OFIS Securities and Insurance Offerings Division will be able to provide additional information if necessary. Our toll free number is (877) 999-6442. Written inquiries should be addressed to Michigan Office of Financial and Insurance Services, Securities and Insurance Offerings Division, 611 W. Ottawa, Lansing MI, 48933.